

**MINUTES OF THE LOCAL MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
October 27, 2004**

The local jurisdiction meeting of the Washington State Transportation Commission was called to order at 8:30 a.m., on October 27, 2004, at the Spokane Fire Department Training Center, 1618 North Rebecca, Spokane, Washington.

Commissioners present at the meeting were: Chair Stedman, Ed Barnes, Elmira Forner, A. Michèle Maher and Dan O'Neal.

WELCOME AND INTRODUCTIONS

Chair Stedman called the meeting to order and introduced Commissioners and Commission Administrator, Jennifer Ziegler. He welcomed meeting participants.

Chair Stedman opened the meeting and explained that the Commission holds local meetings to provide local communities the opportunity to voice their transportation concerns.

Paula Hammond, Chief of Staff, WSDOT, thanked meeting participants for attending today's meeting. She explained that the Department is focusing on delivering the 2003 Transportation Revenue package. She explained that project delivery and accountability are of primary importance to Secretary MacDonald. The "Nickel" fund has given the Department the opportunity to correct critical choke points and safety areas around the state. The Department is also updating the Washington Transportation Plan (WTP). Through this process the Department has learned that cities, counties and transit have suffered under the initiative process over the years. Preservation and system maintenance has fallen off, and cities and counties are struggling to maintain services in the future. The Department is utilizing the WTP to build transportation package proposals for the Legislature for transportation statewide in the future.

OPENING REMARKS

Jim West, Mayor, City of Spokane, welcomed the Commission to Spokane. Mayor West shared that Spokane currently has a bond issue to reconstruct 110 miles of streets in the City of Spokane. Many cities have postponed basic maintenance, which has created bigger problems. As a result of cities waiting to perform maintenance the cost has escalated and now requires going to taxpayers for revenue. Most communities are struggling with revenue issues. Chair Stedman asked Mayor West if there are options for cities and counties to find new revenue sources. Mayor West responded that many city and county tax sources have been on "auto pilot" since Initiative 695 passed. This particular tax source escalated about fourteen percent each year, which was much more rapid than any cost taxpayers were seeing. He expressed that the Legislature made a strategic error in not addressing concerns regarding the motor vehicle excise tax. If the Legislature would have used an average, or a little below, it

may have been possible to save the entire revenue source. Instead voter anger got ahead of it, and now the alternative is voter option taxes. The public experienced a great deal of tax relief as a result of I-695.

Because of voter anger the six percent city and county property tax was eliminated because of the lack of accountability. Now it goes to the voters, which is more expensive, but it does build in an accountability factor. Spokane is considering an excess property tax levy for one year at a time. There are some suggestions for transportation revenue sharing. There has not been success in the community with local option gas tax or transportation bond issues. Local government needs to do a better job of communicating accountability with its constituency. Cities and counties will be working together looking at potential revenue options, which will potentially be voter approved. Chair Stedman commented on street utility tax. Mayor West stated that he is not a big fan of utility taxes largely because property tax options take into account a person's ability to pay. There should be recognition of low-income inability to pay the tax. Commissioner Forner considered that voters might not be aware that cities and counties receive half of the collected twenty-three cent statewide gas tax. Mayor West commented that public servants should be honest and more forthright. Accountability is incredibly important to the public.

Chair Stedman welcomed Representative Lynn Schindler.

CAPACITY, SAFETY, AND PRESERVATION

Steve Robinson, Chair, Regional Chamber Transportation Committee and CEO, Spokane Rock Products, thanked that Commission for inviting him to speak. He expressed appreciation on behalf of the Spokane Regional Chamber of Commerce to the Commission for coming to Spokane. State Routes are very important to local communities transportation needs. The "Nickel" tax that the Legislature passed has been very instrumental in beginning to address some of the transportation issues. Within the Spokane area it has been very important to get the North Spokane Corridor. It is important to plan to continue the project to I-90. The three-lane expansion of I-90 from Argon to Sullivan Road that is currently under construction will be very beneficial, but again there is a need for additional funding to continue the project. Another project that relates to the Spokane Regional Chamber is SR 195 where there is significant residential development occurring for seven or eight miles. This will add additional pressure on the transportation system. Mr. Robinson shared that Jerry Lenzi, Region Administrator, Eastern Region, WSDOT, is an excellent Administrator and has been on point in getting a number of the projects addressed. As far as funding goes a lot of other regions received significant financing as a result of the "Nickel" tax, maybe there are issues with environmental permitting, engineering or local opposition. He introduced the Urban Community and Mid-Size and Small Community panels, sharing that the Commission should take into consideration its plans, policies and business strategies, so that that the panel's priorities are considered in the future.

Urban Community Needs

Dennis Hession, President, Spokane City Council, shared that he has been a member of the Spokane City Council for about two and a half years. He commented that in the past he has had opportunity to be involved in transportation decisions with Chair Stedman and Commissioner Maher. He explained that the public has become more active in preparing a comprehensive transportation plan, and it has created increased pressure on the budget, and on the City of Spokane to address issues that were not otherwise funding issues in the past. As the public's involvement increases there is added interest in finding funds.

Other than general funds the City of Spokane has limited resources, as do many of the municipalities throughout the state. There is neighborhood planning supporting the comprehensive plan currently underway in about thirteen of the twenty-seven organized neighborhoods. This is generating a lot of interest in local improvements where there are no resources to accommodate them. When you look at Spokane's yearly street maintenance needs, it is immense, and there are limited resources available to meet the need. As Mayor West indicated there is an upcoming street bond issue that the Council is enthusiastic about. The Council does not necessarily see bonding as the optimum way of funding the backlog of street improvements. It is recognized that gas tax revenue and real estate excise tax received generates approximately \$4 million dollars. This amount of revenue does not go a long way towards the proposed program of \$117 million dollars over ten years. In all actuality the figure is much higher than that. He expressed that everyone shares the need to find other resources. The Council feels that this is not the optimum way to deal with this issue – the Legislature needs to find other options. The future of municipalities in this state, and elsewhere, is challenging with limited resources, and the Council is seeking additional resources. If the Legislature is disinclined to provide those resources then local options are part of the answer, because it provides opportunities for municipalities to choose to tax themselves. Whether that comes in the form of additional gas tax locally or a street utility tax needs to be worked out at several levels. In closing the Council is anxious for Legislative options or local opportunities where citizens can be asked for assistance.

Mike DeVleming, Mayor, City of Spokane Valley, echoed Mayor West's remarks. The City of Spokane Valley incorporated eighteen months ago and has taken on a lot of responsibility. The city is responsible for well over four hundred miles of city streets with maintenance costs over \$3 million dollars per year. The city is responsible for fifteen bridges and state highway maintenance costing over \$300 thousand dollars per year. As a new city it is learning from the hardships that neighboring cities are facing. The city is starting off in good shape, but the community must be sold on how important it is to maintain that. Communication with the public is essential. The east side of the city is showing the most growth and is requiring upgrading of streets to accommodate that growth. Maintenance costs are substantial and cities do not have the revenue stream to meet those needs. Before the city gets itself into a situation where it's paying a large chunk of interest on replacing projects it wants to figure out a way to meet those needs.

Ross Kelly, Spokane County Engineer, welcomed the Commission to Spokane County. Spokane County and WSDOT have a very cooperative relationship. He shared that when the

North Spokane Corridor is completed the county realizes that it will need to work with WSDOT in order to improve connections to the corridor. The county faces issues with a limited budget and limited ability to match available grant funds. A key project in Spokane County is the Bigelow Gulch Project, which will be a four-lane roadway, with turnouts, that will provide an alternate route between Spokane and Spokane Valley. The county is planning several other projects with future growth in mind, and strongly supports the Bridging the Valley Project. Mr. Kelly expressed that the county also has rural needs where county roads intersect with state highways. Two very important projects are Highway 206 and Bruce Road intersection, and Prairie View Road where it intersects with Highway 195. There have been some horrific collisions at this intersection, and the county would like to make access improvements at this location.

Commissioner Maher asked what level of service the City of Spokane would get if streets were improved. Roger Flint, City of Spokane, Public Works and Utilities, stated that the city is shooting for a seventy percent rating, however, that will not be attainable within the first phase. The city is bringing all the new roads to a one hundred percent standard. Bicycle trails are not included. Mr. Fletcher reflected that the county is coming up with its own funding to pay for repair and maintenance backlogs, because there is so much pressure on the general fund already. Commissioner Barnes asked what taxing preferences citizens of the Spokane area would consider. Mr. Kelly responded that tolling in Spokane is awkward, although it might be an option. Sales tax is generally taboo because of the possibility of an extreme increase. The city is focusing on local option opportunities, which might be a street utility tax, or as discussed by the Association of Washington Cities, a local option gas tax. Commissioner Barnes asked if the City of Spokane would like to see the Legislature given free hand in setting tax increases. Mr. Kelly responded that flexibility in presenting options to the public would be a good thing. Commissioner O'Neal commented that the entire state, in the near future, might begin to look at tolling as a means to pay for transportation projects.

Ms. Hammond stated that WSDOT realized that when the "Nickel" package was passed that cities and counties did not directly receive revenue. While it was a start for WSDOT to address capacity and safety improvements around the state, it did not provide revenue for preservation and maintenance of the system. Ms. Hammond questioned why Spokane County did not mention maintenance needs. Mr. Kelly responded that the county takes care of its maintenance first, and then uses capital program funds for a match. The county has had grant funding that has helped with maintenance. Counties are better off than cities because there is a dedicated road tax that can be counted on each year for maintenance efforts.

Mid-Size and Small Community Needs

Amy Jo Sooy, City of Cheney, thanked the Commission for coming to Spokane County. She introduced Don McDonald, Director, Public Works, City of Cheney. She provided an overview of the city's accomplishments over the last several years, indicating that it has been proactive in managing its transportation infrastructure. The city has successfully employed a comprehensive study strategy to fund arterial and residential street improvements. These efforts have resulted in safety enhancements and improvements to more than eleven miles of the functionally classified arterials. The arterial street improvements would not have been

possible without the financial support of the Federal Highway Administration, WSDOT and the Washington State Transportation Improvement Board. In addition to the arterial street improvements, citizens voted and approved a ballot measure in 1998 to add a four percent tax to their electrical and natural gas bills for the specific purpose of using those proceeds to repair and resurface the majority of the city's residential streets, curbs and sidewalks. This program has resulted in the improvement of more than seven miles of residential streets, many of which were in extremely poor condition. Revenues exceeded projections, and at this time it appears that the city will be able to repair and resurface all of residential streets, not just the majority, as was originally planned, before the natural gas tax sunsets in 2012. At that time the city will return to the citizens to reauthorize or modify the ballot. While there has been significant improvements made to the arterial street system over the last ten years, it is essential to ensure that adequate state and federal funding will be invested in preserving the arterial streets in other communities throughout the state in order to avoid deterioration of the system. State Route 904 is the primary route for transporting people and goods to and from Cheney.

During peak travel times the traffic on SR 904 is often bumper-to-bumper, composed of vehicles, transit buses and trucks. Recent traffic counts indicated that the volume is continuing to increase with the continued growth of the city and Eastern Washington University. Cheney has been successful in increasing economic development over the last several years. The population today is 9,855 residents with a population projection increase approaching 11,000 residents by 2010. In the Fall of 2003, WSDOT added left turn, and center turn lanes, at some of the county road intersections along a portion SR 904 in an effort to provide short term measures to address capacity safety concerns. The 1993 WSDOT Route Development Plan identifies the need to improve SR 904 in order to address capacity safety issues that are becoming more pronounced with Cheney's growth. The estimated cost for the SR 904 project is \$14.1 million dollars. At this time there has been no allocation or funding to design or construct this project. SR 904 is a critical transportation corridor that provides a primary means for transporting people and goods to and from communities. Cities like Cheney must be a priority when allocating state and federal transportation funding. It is also equally imperative that state and local agency stakeholders work together to pool resources to address transportation issues affecting multiple jurisdictions.

Dick Nichols, Mayor, City of Colville, thanked the Commission for inviting him to today's meeting. He provided an overview of Colville's future goals. As a result of ever increasing freight traffic through the city center the Colville 2000 Committee was formed to take the lead in formulating an action plan for revitalizing downtown Colville. One of the components of the Committee was to develop a three-phase plan called the Colville 2000 Downtown Revitalization and Transportation Efficiency Plan. The key elements of the plan include State Route 395 and State Route 20. SR 395 serves as the primary arterial for most of the major communities of northeastern Washington and as a principal highway for freight movement from Canada. It was designated as a National Highway System Route and as a high priority corridor in the 1995 U.S. Corridor Study. It also serves as a main street for the City of Colville. There has been an increase in traffic at an annual rate of 3.5 percent for the past several years. Studies indicate that 14 percent of this traffic is heavy truck traffic.

Currently the Colville main street section of SR 395 is the greatest impediment to freight movement between the United States and Canada for this area. The high volume of traffic, specifically truck traffic, discourages pedestrian and shopper use of the downtown area. In addition, the heavy truck volume has been identified as a major contributor to air-borne dust pollution that has lead to the threat of a non-attainment status. Removal of the truck traffic from the city center is vital to improve air quality. Phase three of the three phase plan calls for construction of an alternate truck route along the western limits of Colville paralleling the existing Burlington Northern and Santa Fe Railroad. The partially funded project is scheduled to begin construction in 2005. Improvements to SR 395 would result in travel savings and travel time as well as fuel consumption for freight haulers. Washington's economy is dependent on international trade, and this enhancement would aid both Canada and Pacific Rim customers. Local benefits from international trade would be minimal since most of freight is in-transit across the area. However, those trade goods are ultimately consumed in the United States or exported from ports. In either case a statewide benefit is generated. Mayor Nichols indicated that the City of Colville would like to partner with WSDOT to construct a rest stop on SR 395 that would take advantage of the already existing fuel and food options in Colville, as well as provide motorists a convenient mid-point stop on the route. He shared that Colville's airport is not large enough to accommodate commercial aircraft.

In closing, he noted that the Department of Homeland Security boarder patrol is looking at possibly siting an air operation facility in Colville. He asked that the Commission keep in mind airport issues in Colville.

Michael Wolfe, Mayor, City of Deer Park, expressed gratitude to the Commission for inviting him to speak. He commented that there are innovating ways to create beneficial funding for local street programs. He shared that Deer Park intends to apply for funding from WSDOT's School Safety Program. Within the last six years the school district has located all of the school buildings within a six-block area that has resulted in traffic congestion within the area trying to get in and out at the same time. He stated that he is unsure where transportation funding will come from. Deer Park receives \$144 thousand dollars in property tax that is one hundred percent earmarked to the street department. After wages and equipment the city is lucky to get \$50 thousand dollars in the repair and maintenance fund. Eighty percent of the streets in Deer Park were paved twenty-five years ago at grade without a base. Streets are falling apart as result and there are drainage issues during inclement weather that cause further damage to the streets. He expressed that Deer Park appreciates the "Nickel" package stating that it is very visible in the area. Deer Park will continue to take advantage of Transportation Improvement Board (TIB) funding when it's available. A lack of TIB funding has allowed Deer Park and cities its size to fall through the cracks. When the problem was identified TIB provided the funding.

Glenn Johnson, Mayor, City of Pullman, shared that Pullman has dealt with one of its major capacity problems on SR 270 as a result of the "Nickel" package. Pullman's main street also has freight traffic through the city center. Some of the capacity issues have been dealt with through Pullman Transit. Transit provides services to one million passengers per year. The

Pullman/Moscow Airport is also a concern, although the airport continues to make money, the airfares are high. There are a lot of left turn lane safety issues on the city streets within Pullman. Pullman is trying to do its best since state funding cutbacks.

Chair Stedman asked if mid size cities are attempting to come together with one direction and a common voice. He asked if the Association of Washington Cities and Counties, and the state collectively have a plan to take to the Legislature.

Commissioner O'Neal asked how the City of Cheney convinced its citizens to agree to a four percent sales tax. Ms. Sooy responded that citizens were concerned about the streets and knew that something needed to be done. A citizens committee was formed to take the rate increase to the City Council. She stated that she believes that citizens had trust in government because there was a transportation plan in place. The public monitors government to see if it does what it says it will do. Cheney residents are very proud of their streets. Cheney is a bedroom community of Spokane that is reliant on taxes other than property.

Mr. McDonald, Director, Cheney Public Works, stated that the Council passed an ordinance establishing a section under the code dedicating tax proceeds to the residential street and sidewalk fund.

RELATIONSHIP OF ECONOMIC DEVELOPMENT AND TRANSPORTATION IN REGION

Jon Eliassen, President & CEO, Spokane Area Economic Development Council (EDC), shared his views regarding economic growth in the Spokane area. He expressed that there is a need for flexible and competitively priced transportation, between eastern Washington and Puget Sound ports, that expands transportation alternatives and freight access with a very clear twenty-five year vision strategy for both road and rail in Washington State. EDC's focus is to look at six cluster areas, where it is trying to recruit business over the next six years. These businesses are primarily high tech, health care and education, research and advanced manufacturing. One of the businesses is a cluster that might be developed around cargo distribution and logistics. The City of Spokane has one of the largest undeveloped airports in the United States. EDC believes that the site can be developed into a distribution and redistribution site for Pacific Rim flights. This would create the need for additional truck and rail transportation for the redistribution of freight. Current transportation issues that face eastern Washington, with regards to import/export markets, will create an increased demand for shipping to and from Puget Sound. There is an opportunity for substantial growth in freight volume through the ports, especially when you consider the increase in imports with Pacific Rim countries over the next ten years. He expressed concern that rail capacity will not be able to meet the need for containerized shipments between Spokane and Puget Sound. Over the next twenty years widening Snoqualmie Pass to six lanes from Hyak to Cle Ellum is essential to meet future needs demand as truck traffic increases. Mr. Eliassen encouraged the Commission to work toward, develop and support a 25-year vision for what rail and highway system strategy looks like for the State of Washington. He suggested that a

long- term solution might be to manage transportation dollars as a pool in order to reallocate funds between rail and highways.

Chris Marr, Managing Partner, Foothills Automotive Group, remarked that he realizes how important it is to leverage partnerships and relationships with governing entities. For years we have tried to figure out how to evaluate projects which have the potential to create, sustain and increase jobs and sales production that are not justified on the bases of traffic congestion relief alone. Economic development is only one aspect of transportation policy. It is certainly an aspect that the typical taxpayer, much less the commuter stuck in traffic, has the ability to appreciate from a public perspective. It's far behind mobility and congestion relief in terms of perceived need. The challenge is acknowledging the benefit of leveraging transportation investments that need to be made towards economic growth. Economic development requires a bit more evidence on return of the investment than what has been offered in the past. As pressure increases on the general fund to expend funds on K-12, corrections and social services, resources which otherwise might be directed to economic development will not be available. As a result non-general fund revenues, such as transportation, higher education capital funding and possibly research dollars, will be seen as offering the promise of leveraging local, state and federal dollars to drive economic development. It's important that the Commission has this discussion now and continues to develop policy around it. Economic growth in Eastern Washington is vital to Washington State. As a practical matter Puget Sound has a tremendous amount of economic activity and land use, which may not be suited to its needs today. Creating easy access to areas within the state, which reduce congestion related manufacturing and distribution costs, and also return tax incomes seems to be a very logical approach.

A few projects that fall under this umbrella, is the North/South freeway project, continued widening of I-90 to the state line, expansion of SR 20 near Fairchild Airforce Base, SR 290 University District/Trent Ave, SR 195 near Washington State University, and the I-90 the Viaduct study proposed by the Downtown Spokane Partnership. Firstly, transportation investments should leverage economic development and be directed along the lines of cluster and key sectors. This approach is embraced by economic development organizations. Also, there is a debate of whether or not economic development is transportation driven. He offered that the public will probably never have the appetite to invest continuing scare resources unless there are innovative ideas, clear arguments and proof that investing dollars will result in an economic return. In closing the most important thing to insure statewide economic growth, in the long term, is to be transparent to the public.

Eldonna Gossett, President & CEO, Spokane Valley Chamber of Commerce, pointed out that good roads are a basic structure to economic development. The Spokane Valley Chamber has a membership of 730, serving Millwood, Liberty Lake and Spokane Valley. The community's major industry is retail with freight mobility and connectivity being very important. It's not just moving goods in and out of the community, it's also shopping and other services. In the future transportation will be even more important to the growing high tech communities that are settling in the valley. Bridging The Valley is a major project that is very critical to the movement of freight from the Port of Seattle to the Spokane area. The

public safety aspect also adds to communities by moving traffic and freight faster. As a result of limited resources cities are feeling stressed. She expressed that she hopes that in the future there will be an improved way of funding, so cities do not have to struggle to keep up their responsibilities in terms of the roads. Even though it's a challenge to find limited resources citizens still expect good roads.

Rich Hadley, President & CEO, Spokane Area Chamber of Commerce, stated that the transportation infrastructure is a vital part of economic development. In the region, transportation and economic development are regional in nature. Eastern Washington and Northern Idaho are tied together by I-90. There is a regional collaboration with Kootenai County, Idaho to continue I-90 over the Washington state line into Idaho. The chamber is very supportive of transportation enhancements. Spokane continues to experience population and industrial economic growth. The North/South Corridor project is the chamber's number one priority. There is a five-chamber alliance supporting the widening of I-90 to the Idaho border and Bridging the Valley as well as several other projects. Geiger Spur is also a concern that is being worked on.

Commissioner Barnes suggested that the Spokane area chambers poll their members for suggested transportation funding ideas and provide it to WSDOT.

Chair Stedman indicated that the state, cities and counties need to work together on transportation funding sources.

Paula Hammond, Chief of Staff, WSDOT, commented that economic development is part of the Washington Transportation Plan. Over the years it has been a struggle to determine infrastructure improvements for small communities. Ms. Hammond asked whether it would be constructive to take into consideration an investment in economic development when determining projects.

Commissioner Maher stated that she supports clusters, but has concerns regarding who generates gas taxes dollars and where it should go. In order to provide rural communities a greater chance to participate they need assistance in developing an economic base.

Mr. Marr stated that there is an opportunity with the WTP update to engage local transportation organizations and economic development entities to discuss transportation investments.

Commissioner O'Neal stated that having a vision is important. Specifically, he is interested in focusing on rail transportation between eastern and western Washington. He commented that he had not realized that rail capacity was an issue in eastern Washington.

Mr. Eliassen responded that looking into the future, and considering the number of trucks that cross over Snoqualmie Pass each year, would be cheaper to ship products on by rail. The flexibility to grow must be taken into consideration when considering a long-term investment.

Commissioner Forner commented that there are cases where the economic impact of transportation can be measured. Is the system providing equitable opportunity for the entire state, not just Puget Sound.

PUBLIC COMMENT PERIOD

Paul Locke, citizen, commented that he sees no reason to continue pouring dollars into transit agencies. Funding at all levels of government needs to be prioritized in order to get the important things done.

Brian Sayrs, City Council Member, Liberty Lake, shared that the City of Liberty Lake is experiencing growth and depends on I-90 for economic development. Transportation enables economic development. Liberty Lake collects a new construction fee that goes to an arterial streets fund specifically for the purpose of building new arterials. Each community has the same issues, but may use a totally different approach. This is where the state needs to be flexible.

Mike Edwards, President, Downtown Spokane Partnership, commented that as the Commission considers appropriating planning funds it should consider planning for the future of the I-90 viaduct in Spokane. The viaduct runs through the downtown core and needs to have extensive thought in future planning. The Chamber has asked that a Legislative funding package request be prepared to include a land use study and transportation plan that are important for mobility and transportation safety.

Chris Anderlik, citizen, shared that the I-90 Wildlife Bridges Coalition supports providing wildlife corridors for motorists and animal safety.

Howard Granger, citizen, commented that eastern Washington would need to depend on Snoqualmie Pass forever. As a result of increased international activity on the west coast international commerce is being driven to the Pacific Northwest. If eastern Washington is going to enjoy a spillover from that activity it is going to have to come across Snoqualmie Pass. Economic organizations on the east side of the mountains are already being looked at for further warehouse and distribution opportunities because the California basin and Puget Sound are full. This added activity would create positive economic development that will impact agriculture, and I-90 must be addressed. He questioned, what eastern Washington, needs to do to collectively to support these efforts.

Chair Stedman commented that the improvement of Snoqualmie Pass is a major issue of discussion in which the Commission will participate.

LOCAL WSDOT PROJECTS

Jerry Lenzi, Regional Administrator, WSDOT Eastern Region, distributed the 2003-05 Eastern Region state project budget. He provided an overview of projects within the region, indicating that "Nickel" projects are going well.

Commissioner Forner commented that RTPO's complain that they do not receive enough money to do significant projects that make an impact. RTPO's are working with other agencies in order to obtain funding to accomplish larger projects.

Mr. Locke commented that the amount of money that is being spent now is unaffordable and there must be a solution.

Mr. Lenzi stated that projects that go over budget are revisited and brought back down within budget.

Chair Stedman reflected that there are opportunities to approach the question of project cost. Community needs should be put into perspective and looked at individually.

TRANSPORTATION ACCESS

Kim Zentz, CEO, Spokane Transit Authority, shared that the transit authority has had an intense year designing the system to meet available funds that match three tenths of a one percent sales tax. A recent voter approved ballot increased sales tax an additional three-tenths of one cent to provide funding to maintain the current level of public transportation service in Spokane. This is an example of community opinions coming together about how public transportation impacts jobs and the economy in Spokane. Spokane Transit has a lot of changes to accomplish, and a lot of aspirations to live up to, in order to become the type of public transportation system that fosters partnerships and exhibits the transparency that voters have called for. The Spokane Transit Board of Directors established a task force to evaluate every aspect of Spokane Transit for its effectiveness in fulfilling its mission. During the process a new philosophy statement was developed with a new directive to provide the most amount of service for the least amount of dollars. Spokane Transit will be issuing an annual report to the community measuring the progress against the objects. The number one thing that the community wants to make certain of is that ridership has increased. This would be their measure of whether or not the dollars have been used wisely. Spokane Transit plans to modestly expand its bus service, add a new park and ride lot, and build on the college and neighborhood pass programs, specifically the Eastern Washington University pass program, which has experienced success in the past, and has helped in improving the capacity and safety of SR 904. There will be service decisions made that are tailored to specific needs of riders that will include collaboration with planners, citizens and business groups within the communities. Technology will also be enhanced to provide efficiency to services.

Phyllis Holmes, Chair, Spokane Regional Light Rail Steering Committee, shared that the long-term goal is to provide a fully integrated, multi modal regional public transportation system with an emphasis on regional. The vision is that someday the Spokane Airport and Coeur d'Alene, Idaho could be connected by a high capacity transit facility. The South Valley Corridor high capacity effort took root over ten years ago, and looks to the future to avoid congestion rather than congestion relief. The Spokane Transportation Council commenced studies in the 1990's to address growing population of both Spokane and Kootenai County,

Idaho, and the potential impact on the I-90 corridor over the next twenty years. The Spokane Regional Transportation Council's major investment study identified light rail as the preferred option in the corridor to provide the alternative mode of transportation to meet the growing population. Two of the key reasons for this decision are that rail is unaffected by things that happen on the highways, and it also provides insurance to developers that the transportation infrastructure will be there for the long-term. Leaders in the Spokane community believe that being pro active and planning ahead prevents encroachment on right-of-ways and avoids high acquisition costs later. All of Spokane's comprehensive plans include the light rail corridor, therefore it is concluded that it offers better opportunity to reap the economic rewards of transit-oriented development.

Ms. Holmes provided an overview of arterial streets within the community that require safety enhancements. These arterials would benefit tremendously from transit enhancements as well. Bridging the Valley is a very important project for the Spokane area. A portion of the land that Union Pacific Railroad currently uses as a rail yard would become available for public use and could be utilized for a light rail station. A key component of the light rail project is the quest for economic development benefits that can accompany or be enhanced by transportation investment.

Chris Corativo, MILCON, Program Manager, Fairchild Air Force Base, explained that MILCON is a military construction program with projects in excess of one million dollars that are typically funded through congressional channels. Specifically, the project of discussion is a major project that rebuilds three of the main access gates to the base. The overall benefits of the project will be to lessen traffic congestion on Highway 2 as it backs up to access the base.

Ms. Hammond questioned if there has been an analysis completed regarding the shared rail line option for light rail, if freight growth is expected. Ms. Holmes responded that they are working with Union Pacific Railroad regarding all of the issues.

Commissioner Forner asked if the Growth Management Act has worked in transportation planning within the region. Ms. Zentz responded that regional comprehensive plans reflect growth management.

Mr. Locke asked what is being done with the operating/maintenance costs for public transit in the region. Ms. Zentz responded that Spokane Transit is ranked third highest in the state for its fare box recovery ratio.

FREIGHT AND RAIL ISSUES

Barb Ivanov, Director, Freight Strategy and Policy Office, WSDOT, provided an overview of the WTP Freight Plan. The state freight transportation system is being framed around international and national trade through Washington's gateways. The three components of Washington's freight system are to support our national and state economy and national defense, as well as sustain jobs and distribute the necessities of life to every resident of the state. Washington's gateways play an essential role in transporting petroleum products and

supporting national security. Transportation systems serving Washington's producers and manufacturers are especially important for agriculture because the state produces about three times as much food as it consumes. The freight industry provides 52 thousand jobs in the Spokane area alone. Freight strategic planning is very important to its customers and the goal is to provide on-time service, pricing and reliable trip time. Washington State University recently performed a strategic freight transportation analysis study, when combined with the Departments data, indicates that I-90 is by far the largest volume corridor for truck moves to central Puget Sound. Big transportation issues for the Spokane region are I-90 Snoqualmie pass closure during winter weather, I-405 traffic congestion in central Puget Sound and I-90 pavement rutting and grade separations at high impact crossings. There are almost ten times more light and medium commercial trucks licensed in Washington State than heavy trucks. Up to eighty percent of truck trips operate in the local distribution system with trip lengths that are one hundred miles or less daily, or in some cases two hundred fifty miles. In closing, other ideas for additional study might be freight security and safety and environmental issues

Judy Giniger, Director, Public Transportation and Rail Division, WSDOT, shared that the Division handles passenger, freight rail and public transportation projects. Specifically, she provided briefings on the acquisition and rehabilitation project of the Palouse Coulee City Railroad and the Geiger Spur project. Geiger Spur project is part of the 2003 Legislative Transportation package that was funded at \$3.5 million dollars. The funds in the budget are not available until next biennium. As a result there has not been any work done on the project, although there has been discussion regarding the possibility of accelerating funds. The project still remains in the 2005-07 biennium, however there is an earmark from the Department of Defense budget of \$500 thousand dollars. The Department is currently working with Spokane County and Representative Nethercutt's office to figure out who will be administering the earmark. Once this decision is made the project can move forward. The purpose of the project is to move the rail line off of Fairchild Air Force Base. It has been determined that there needs to be refinement of the estimate and scope of work on the project that looks at the cost of construction of the three-mile new connection, acquiring right of way, environmental work and project design. The Department's rough cost estimate for the project could be somewhere between \$7.5 million to \$10 million dollars. Further engineering will need to be performed in order to refine the cost estimate. Another important aspect of the project is that Spokane County has asked for assistance in stabilizing a portion of the track that serves manufacturing businesses. The Department identified approximately \$160 thousand dollars of accrued federal payback funds for loans that have been made over a number of years. These funds are available to perform some stabilization on the track (replacing cross ties) that will put the spur into better shape for at least five years.

Ms. Giniger provided an update on the status of the Palouse Coulee City project. This project is also funded in the 2003-05 Legislative Transportation package. The project is to acquire the Palouse Coulee City Railroad (to the Idaho line) for rehabilitation over the next four biennia. The project is funded at about \$30 million dollars, \$7 million would apply to acquisition of the railroad and \$22 million dollars for the rehabilitation. The Department is currently in the final stages of negotiating a purchase agreement and operating lease with WATCO. The purchase will take place over two biennia. Rehabilitation begins in the 2005-

07 biennium and expected completion by the end of 2007. WATCO will continue to operate the line and will be required to maintain the line in operating condition until rehabilitation funds are available. Following the completion of rehabilitation WATCO will be required to maintain the lines at the rehabilitation level indefinitely. The Department's intention is to not have to invest capital towards the maintenance or further rehabilitation of the line in the future. WATCO will also be required to have a full-time marketing employee resident to work with current customer relationships, establish new ones and strengthen the customer base for the railroad.

Chair Stedman indicated that the Commission has not seen a contract as of yet.

Commissioner Forner inquired who would benefit from the rehabilitation of the rail line. Ms. Giniger responded that the wheat growers would be the major benefactors. WATCO had intended to abandon the line if the state did not step in to help.

Glenn Miles, Manager, Spokane Regional Transportation Council, provided an overview of the Bridging the Valley project. The project will separate vehicle traffic from train traffic on a forty-two mile stretch of corridor between Spokane and Athol, Idaho. Currently there are seventy-five roadway crossings, if removed, it would promote future economic growth, traffic mobility and safety and train whistle noise abatement. Bridging the Valley would improve public safety by reducing rail and vehicle collisions. Currently there are approximately 65 trains, 77 hundred feet long, which equals to approximately 93 miles of continuous rail cars that move through Spokane each day. It would improve public safety by reducing rail and vehicle collisions and improve access for emergency responders, as well as traffic flow. It would also enhance development opportunities for the single rail corridor served by the region's largest railroads. The concept is to move Union Pacific Railroad's mainline operations from its current corridor into the Burlington Northern Santa Fe (BNSF) Corridor. Certain segments of the rail line will remain in service to provide access to shippers. Reasoning behind this decision is based on the fact that there are twenty crossings on the BNSF and fifty-two crossing on the Union Pacific. It would be strategically more feasible to invest funds into twenty crossing as opposed to fifty-two crossings. Final design is scheduled to begin, depending on funding, in 2005 with some construction beginning in 2007, and rail operations commencing as early as 2009. The railroads have agreed to what percentage of improvements would need to be put into place in order for Union Pacific to move into the BNSF Corridor. The project schedule has been accelerated and several steps in the process have already been accomplished.

Ms. Hammond asked if a financial plan has been developed, and whether or not there is expected participation from the railroads on the Bridging the Valley project. Mr. Miles responded "yes" the railroads would financially participate in the project. The Department is currently in the negotiation process with the railroads.

Mr. Miles indicated that railroads have agreed to participate at a certain rate, as mandated by federal law.

Commissioner Barnes asked how many crossings would be eliminated. Mr. Miles responded that seven crossings in the forty-two mile corridor would be eliminated.

Commissioner Forner expressed interest in the economic analysis of the project. She noted that there is a good return on the dollar, and inquired how the analysis was evaluated. Mr. Miles responded that there was additional time taken in determining the financial benefit cost aspect of the project.

STATE PATROL REPORT

Jeffrey Otis, Captain, Washington State Patrol, thanked the Commission for allowing the State Patrol to share its work with the community and partners to make the state a safer place. He provided a briefing regarding what is being done to address collision problems on I-90 and SR 195 in the Spokane Valley. Over the last three years the State Patrol has focused on DUI, speeding, seatbelts and aggressive driving. The patrol feels that by focusing on these four critical areas it can make the largest impact on traffic safety. In 2004 in the Spokane and surrounding areas DUI arrests are up eight percent, speed citations are up fourteen percent and aggressive driving citations are up thirty nine percent. Besides the enforcement being up, fatality collisions are down to thirty nine percent. Partnering with the Department of Transportation, the Traffic Safety Commission and community members, has been a great success story. The key to traffic safety is partnership and educational efforts.

WASHINGTON STATE TRANSPORTATION COMMISSION

DALE STEDMAN, Chair

DANIEL O'NEAL, Vice-Chair

EDWARD BARNES, Member

DICK FORD, Member

ELMIRA FORNER, Member

A. MICHÈLE MAHER, Member

DOUGLAS MACDONALD, Ex-Officio Member
Secretary of Transportation

ATTEST:

JENNIFER ZIEGLER, Administrator

DATE OF APPROVAL